

Tax Counseling for the Elderly (TCE) Program Frequently Asked Questions

1. What are the eligibility requirements for the TCE Program?

Applicants must meet the following criteria to be eligible for funding under the TCE Program:

- Be a private or public non-profit organization that qualifies for tax exemption under Section 501 of the Internal Revenue Code of 1986;
- Have experience in coordinating volunteer programs;
- Not be a federal, state, or local governmental agency or organization;
- Be compliant with federal tax filing and payment requirements;
- Not be debarred, suspended or otherwise ineligible for a federal award; and
- Have the capacity to electronically file returns.

A detailed list of the eligibility requirements can be found in the Publication 1101, *Application Package and Guidelines for Managing a TCE Program*. This publication is generally available by June 1 and outlines the eligibility, administrative and program requirements for participating in the IRS TCE program. In addition, it provides detailed instructions on how to apply as well as the evaluative criteria used to rank all applications.

2. What is the timeline for the 2011 TCE Program?

The timeline for the 2011 TCE Program is as follows:

TCE Grant Program Timeline	
Application Period	June 1 – July 9, 2010
Review and Ranking	July 9 - October 30, 2010
Notification of selection/non-selection	November 1, 2010
Program Period	October 1, 2010 - September 30, 2011

3. Can the cost of preparing the application package be paid for with grant funds?

No. Costs associated with the preparation and shipment of the TCE program application package is an unallowable expense.

4. How do I verify my organization has filed all required tax forms?

The person in your organization responsible for filing tax returns (including employment tax returns) should contact the IRS at (877) 829-5500 to check for any monies owed or tax returns not filed. Please ensure filing requirement information is correct. Do this prior to submitting your application.

5. Will an approved extension for filing be accepted as being in compliance?

Yes. An approved extension for filing a tax return is acceptable for compliance.

6. *If an organization received a TCE Grant or Volunteer Income Tax Assistance (VITA) Grant in a prior year, will that affect this year's eligibility?*

Yes. The Grant Program Office will review prior year grant files to determine if all required reporting is complete and submitted timely. If all required reports were not submitted timely and a request to delay reporting was not approved before the due date of the report, the applicant will be ineligible for a grant during this announcement period. Submitting required reports about use of funds is required for the continued consideration for future grant opportunities.

7. *When preparing a budget for the TCE Program, are we allowed to charge indirect costs?*

No. Indirect costs are not allowable. Reimbursement should be for direct expenses that are reasonable and incurred as part of volunteer service or as part of the program sponsor's overhead according to guidelines stated in the Cooperative Agreement.

8. *If there is a change to the budget, does it require prior approval?*

Any revisions to the budget plan must be requested in advance, in writing, and approved by the Grant Program Office before the change can be made. The maximum award amount does not change.

9. *Why must I demonstrate that 65% of my e-filed returns were prepared for the elderly?*

It is the intention that all sponsoring organizations electronically file all eligible returns. It is a goal for the TCE program that at least sixty five percent of all electronically-filed returns completed are for taxpayers aged 60+. The Congressional intent of the TCE Program is to "provide free tax counseling and assistance to elderly individuals in the preparation of their Federal income tax returns. The term "elderly individual" as defined by the legislative language is an individual who has attained the age of 60 years as of the close of the taxable year.

10. *What happens if my organization fails to meet the 65% elderly electronic filing (e-file) goal?*

If an organization does not meet the sixty-five percent elderly e-file goal, it will impact their consideration for a TCE grant during the subsequent year grant application period.

11. *Do I need to secure equipment or use my own for providing electronic filing services?*

You may use your organization's existing computer equipment if it is compatible with the requirements of the tax preparation software. Although IRS provides a small quantity of laptops and printers for use at existing sites, new and current program sponsors are encouraged to include funding for computers and printers as a budgeted item in the grant proposal *when community resources are not available*.

12. May I operate a TCE and VITA site at the same location?

It is not recommended that TCE and VITA sites share the same physical location volunteers. If you elect to do so, however, site operations must *clearly distinguish* activities between the two grants. The funding must be clearly defined and separate. Separate Site Identification Numbers (SIDNs) and Electronic Filing Identification Numbers (EFINs) are required to ensure production from each sponsored grant is clearly distinguished.